

VZ-RI, the CLEC Handbook used by VZ-RI to inform CLECs of their collocation rights and responsibilities is the same CLEC Handbook used by VZ-MA and VZ-NY.⁵⁹

VZ-RI asserted that it provides CLECs with several types of physical collocation, virtual collocation and other collocation alternatives, in compliance with its responsibilities under the Act and in accordance with the requirements of the FCC's Advanced Services Order.⁶⁰ VZ-RI noted that these multiple collocation offerings are available to CLECs under interconnection agreements and VZ-RI's PUC RI No. 18 Tariff.

VZ-RI indicated that it offers different forms of physical collocation, including traditional physical collocation. This form of collocation enables a CLEC to enclose its equipment in a cage located in a secured, environmentally conditioned area of a VZ-RI central office. A standard size cage is either 25, 100 or 300 square feet. Additional space is available in 20 square foot increments for 100 square foot or larger cages.⁶¹ Through September 2001, VZ-RI indicated that it had provisioned 112 traditional physical collocation arrangements and an additional one was progressing toward timely completion.⁶² VZ-RI also offers two types of collocation arrangements that do not require a cage.⁶³ Through September 2001, VZ-RI reported that it had provisioned 102

⁵⁹ Id.

⁶⁰ Id. at 20; See In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147, FCC 98-48, First Report And Order (March 31, 1999) ("**Advanced Services Order**").

⁶¹ Verizon's Post-Hearing Brief, p. 19.

⁶² Id. at 20, n.109.

⁶³ Verizon RI 271 Filing – Checklist Declaration, ¶¶ 64-65. Secured Collocation Open Physical Environment ("SCOPE") enables a CLEC to place its physical collocation equipment in a VZ-RI central office in single-bay increments without enclosing its equipment in an individual cage. SCOPE arrangements are located in the same secure, environmentally conditioned areas that are used for the traditional physical collocation offering, except that the space is shared by a number of CLECs. Under SCOPE, CLECs provide and install their own equipment, and perform all maintenance-related activities up to their side of a Shared Point of Termination ("SPOT") bay. VZ-RI also offers Cageless Collocation Open Environment ("CCOE"). This form of physical collocation permits a CLEC to place its physical

cageless collocation arrangements and an additional one was progressing toward timely completion.⁶⁴

VZ-RI stated that it also offers virtual collocation, which is an alternative to physical collocation. VZ-RI indicated that it offers virtual collocation in all of its central offices where space permits, even though Section 251(c)(6) of the Act requires that ILECs offer virtual collocation only in central offices where physical collocation space is not available. Through September 2001, VZ-RI reported that it had provided no virtual collocation arrangements to unaffiliated CLECs.⁶⁵

VZ-RI also indicated that it offers shared (cage) collocation, which permits a collocating CLEC to become the “host” to another collocating CLEC, and in effect, share collocation space and costs. Through September 2001, VZ-RI noted that it had not received any requests for shared cage collocation arrangements.⁶⁶

VZ-RI noted that it offers adjacent structure collocation, which permits a CLEC to procure or construct a controlled environment vault or similar structure adjacent to a VZ-RI central office on VZ-RI’s premises in the event physical collocation space is exhausted in a central office. Through September 2001, VZ-RI had not received any formal requests for adjacent collocation in central offices that had no physical collocation space.

VZ-RI stated that it continues to permit two or more CLECs to establish interconnection between their collocation arrangements at a VZ-RI central office, pending the FCC’s Advanced Services Order on Reconsideration, on remand from the

collocation equipment in single-bay increments in a VZ-RI central office without requiring construction of a separate collocation area. VZ-RI offers CCOE in accordance with the requirements of the FCC’s Advanced Services Order, ¶¶ 42-43. *Id.*

⁶⁴ Verizon’s Post-Hearing Brief, p. 20, n.10.

D.C. Circuit.⁶⁷ VZ-RI indicated that it had not provisioned any Dedicated Cable Support (“DCS”) arrangements through September 2001.⁶⁸

VZ-RI indicated that it permits CLECs to bring their fiber facilities into a VZ-RI central office and terminate the facilities near a VZ-RI cable vault via Competitive Alternate Transport Terminal (“CATT”) service.⁶⁹ VZ-RI reported that it had provisioned 22 CATT arrangements and one was progressing toward timely completion through September 2001.⁷⁰

VZ-RI stated that it enables CLECs to expand, upgrade and/or reconfigure their existing collocation arrangements. Such changes to existing arrangements are commonly referred to as augments. Through September 2001, VZ-RI reported that it had provisioned 239 collocation augments and an additional 12 were progressing toward timely completion.⁷¹

VZ-RI further stated that it offers Collocation at Remote Terminal Equipment Enclosures (“CRTEE”) under Part E, Section 11 of the PUC RI No. 18 Tariff and

⁶⁵ Verizon RI 271 Filing – Checklist Declaration, ¶ 67.

⁶⁶ Verizon’s Post-Hearing Brief, p. 20, n.11.

⁶⁷ Verizon RI 271 Filing – Checklist Declaration, ¶ 69. CLECs may establish this interconnection in one of two ways, each of which provide CLECs with additional flexibility to exchange local traffic among their networks. First, VZ-RI allows CLECs to order a dedicated circuit between two collocation arrangements (*i.e.*, physical or virtual) that belong to the same CLEC or two different CLECs in the same central office, using distribution facilities provided by VZ-RI. Further, VZ-RI’s DCS offering allows CLECs collocated in the same central office to connect facilities directly between their own physical collocation arrangements, or those belonging to other CLECs, by constructing cable support between the two arrangements and providing their own distribution facilities. *Id.* See Deployment of Wireline Services Offering Advanced Telecommunications Capability, Order on Reconsideration and Second Further Notice of Proposed Rulemaking in CC Docket No. 98-147 and Fifth Further Notice of Proposed Rulemaking in CC Docket No. 96-98, 15 FCC Rcd 17806 (2000) (“Advanced Services Order on Reconsideration”).

⁶⁸ *Id.*; Tr. 10/11/01, p. 152.

⁶⁹ Verizon RI 271 Filing – Checklist Declaration, ¶ 70. This service enables CLECs to provide interoffice transport facilities to other CLECs that are physically or virtually collocated in a VZ-RI central office, without establishing physical collocation arrangements of their own. *Id.*

⁷⁰ Verizon RI 271 Filing – Checklist Declaration, ¶ 70; Tr. 10/11/01, p. 153.

⁷¹ Verizon RI 271 Filing – Checklist Declaration, ¶ 71; Tr. 10/11/01, p. 153.

amendments to interconnection agreements.⁷² Through September 2001, VZ-RI reported that it had not provisioned any CRTEE arrangements.⁷³

ii. Provisioning

VZ-RI asserted that it has demonstrated its ability to meet CLECs' requests for collocation, relying on the following anecdotal evidence: In 1998, VZ-RI provided two CLECs with four physical collocation arrangements. In 1999, VZ-RI provided 10 CLECs with 81 physical collocation arrangements. In 2000, VZ-RI provided 18 CLECs with 101 physical collocation arrangements. VZ-RI reported that through September 2001, it had provided 23 CLECs with 214 physical collocation arrangements in 26 central offices. Through September 2001, CLECs had access via their collocation arrangements to 97.7% of VZ-RI's residential access lines and 99.3% of VZ-RI's business access lines.⁷⁴ VZ-RI maintained that it consistently meets or exceeds the two performance standards by which its physical collocation provisioning is measured.⁷⁵

VZ-RI represented that it provides several written responses to a CLEC upon receipt of its collocation application. The initial response provided by VZ-RI is in the form of a standard E-mail "acknowledgment" letter. This letter is sent to the CLEC within five business days of receiving a collocation application to inform the CLEC that its application has been received, as specified in Part E, Section 2 of the PUC RI No. 18

⁷² Verizon RI 271 Filing – Checklist Declaration, ¶ 72. CRTEE provides for the physical or virtual collocation of CLEC equipment in VZ-RI's remote terminal equipment enclosures where technically feasible and subject to the availability of space and conduit. Remote terminal equipment enclosures include controlled environmental vaults, huts, cabinets and leased space in buildings that VZ-RI does not own. *Id.*

⁷³ *Id.*; Tr. 10/11/01, p. 153-54.

⁷⁴ Verizon's Post-Hearing Brief, p. 21, (citations omitted).

⁷⁵ Verizon's Post-Hearing Brief, p. 22. The first standard requires VZ-RI to respond to completed collocation applications within 10 business days, as specified in Part E, Section 2 of the PUC RI No. 18 Tariff. The second standard requires VZ-RI to provide physical cage collocation arrangements to CLECs within 76 business days. VZ-RI also provides cageless collocation arrangements (*i.e.*, SCOPE and CCOE) to CLECs in the same 76 business-day interval. *Id.*

Tariff. This letter also notifies the CLEC whether its their application is complete and will be processed, or that it is incomplete and cannot be processed until the CLEC provides the information VZ-RI needs to process the application. VZ-RI reported that, of the 28 acknowledgment letters that VZ-RI sent to CLECs in the first five months of 2001, 100% were sent to CLECs within five business days after receiving their applications. Through September 2001, VZ-RI reported that it has continued to send timely acknowledgement letters 100% of the time.⁷⁶

VZ-RI explained that the second response provided by VZ-RI is in the form of a standard E-mail “schedule” letter which is sent to the CLEC within 10 business days of receiving a completed collocation application. The schedule letter formally notifies the CLEC about the collocation arrangement that VZ-RI will provide based on the type of collocation the CLEC has requested, the date by which VZ-RI will complete the CLEC’s collocation arrangement, and a cost estimate for the type of collocation the CLEC has requested and that can be provided by VZ-RI. The letter also contains the names and telephone numbers of the VZ-RI Collocation Manager responsible for preparing schedule letters, the Collocation Project Manager, and the Local Collocation Coordinator. VZ-RI reported that 100% of the schedule letters VZ-RI sent to CLECs in the first nine months of 2001 were sent within 10 business days of receiving the CLECs’ completed applications.⁷⁷

VZ-RI indicated that 11 of the 12 physical collocation arrangements that VZ-RI provided in the first five months of 2001 were completed within the standard 76 business-days provisioning interval. VZ-RI explained that it required 126 business days to

⁷⁶ Verizon’s Post-Hearing Brief, p. 22; Tr. 10/11/01, at 155-56.

⁷⁷ Verizon’s Post-Hearing Brief, p. 23; Tr. 10/11/01, pp. 156-57.

complete one physical collocation arrangement due to special circumstances and work involved in removing walls, ceilings, flooring, cable racking, and asbestos to create additional physical collocation space in its central office at 234 Washington Street in Providence.⁷⁸

iii. Space Management

VZ-RI asserted that it optimizes the amount of central office space available for physical collocation. VZ-RI's collocation website provides CLECs with information on the availability of collocation space in its central offices. The website identifies central offices where CLECs have requested physical collocation, as well as the types of collocation that are present and available in each of these offices.⁷⁹ VZ-RI has also indicated that it will provide CLECs with opportunities to tour its central offices in accordance with FCC rules. Through May 2001, VZ-RI had not received any requests for central office tours from CLECs in Rhode Island.⁸⁰

VZ-RI noted that it will file central office space exhaustion notifications with the RIPUC when it cannot provide physical collocation to CLECs due to insufficient space or technical reasons. VZ-RI indicated that its space exhaustion notifications will contain the

⁷⁸ Verizon RI 271 Filing – Checklist Declaration, ¶ 78. VZ-RI stated that it is prepared to provide virtual collocation arrangements to CLECs, upon request, within the standard 105 business-days provisioning interval. In this interval, VZ-RI readies central office space for virtual collocation (as it also does for physical collocation) and then installs CLECs' equipment. This contrasts with physical collocation, in which CLECs receive readied space from VZ-RI in 76 business days and then install their own equipment. Under virtual collocation, CLECs must complete several tasks to ensure timely completion of their arrangements. These tasks include ordering and scheduling the delivery of the equipment to be collocated, supplying engineering data to VZ-RI, and providing training to VZ-RI employees if their equipment is not ordinarily used in VZ-RI's network. *Id.* at ¶ 79. *See* Part E, Section 2 of the PUC RI No. 18 Tariff.

⁷⁹ Verizon RI 271 Filing – Checklist Declaration, ¶¶ 80-82. VZ-RI stated that it updates the website with information on space limitations within 10 calendar days after determining that physical collocation space is not available in a central office consistent with the requirements of ¶ 58 of the FCC's Advanced Services Order. *Id.* at ¶ 82.

⁸⁰ *Id.* at ¶ 83.

information required by the FCC, as described in its Advanced Services Order at ¶ 56 and its Advanced Services Order on Reconsideration at ¶ 61.⁸¹

iv. Methods and Procedures

VZ-RI asserted that it has developed and implemented comprehensive methods and procedures to ensure that it provides CLECs with quality collocation arrangements. VZ-RI stated that its procedures include comprehensive internal quality inspections of collocation arrangements before they are turned over to CLECs and voluntary joint testing of facilities with CLECs after they have installed equipment in their physical collocation arrangements. The procedures also include coordination of Collocation Acceptance Meetings (“CAMs”) with CLECs at the time VZ-RI turns over collocation arrangements to them for installation of their equipment.⁸²

VZ-RI asserted that it conducts quality inspections of its collocation arrangements prior to turning over arrangements to CLECs for installation of their equipment. VZ-RI indicated that it inspects collocation arrangements using an internal Pre-Acceptance Checklist to verify that each arrangement meets VZ-RI’s installation specifications and to address those items that are not complete or correct at the time a collocation arrangement is inspected. This Pre-Acceptance Checklist covers areas such as power, fiber structure, cable racking, total number of circuits, and lighting.⁸³

VZ-RI maintained that it performs comprehensive testing of its cross connects upon completion of a collocation arrangement to ensure continuity between VZ-RI’s distribution frame(s) and SPOT bays. According to VZ-RI, its quality inspection process ensures that installation of VZ-RI provided cabling is accurate, that assignments are

⁸¹ Id. at ¶ 84.

⁸² Id. at ¶ 85.

stenciled properly, and that VZ-RI's inventory systems correctly reflect the assignments upon completion of a physical collocation arrangement.⁸⁴

VZ-RI further stated that it will perform voluntary cooperative testing of physical collocation arrangements with CLECs upon request. These tests include "head-to-head" testing of facilities by VZ-RI and CLEC technicians from CLEC equipment to VZ-RI's distribution frames to ensure proper continuity before or after CLECs have installed their equipment in a physical collocation arrangement. These cooperative tests also include testing of VZ-RI and CLEC facilities from a VZ-RI distribution frame through a SPOT bay to a CLEC's equipment.⁸⁵

VZ-RI represented that it notifies CLECs about CAMs prior to the due date of an arrangement. These meetings are arranged and conducted by VZ-RI with CLECs to obtain their acceptance of a collocation arrangement. VZ-RI explained that under the CAM notification process, VZ-RI's Collocation Applications group sends a standard E-mail letter to a CLEC prior to the time that its collocation arrangement is due to be completed. The letter notifies the CLEC that it must contact its VZ-RI Local Collocation Coordinator when it is ready to inspect its collocation arrangement and confirm that VZ-RI's work is complete.⁸⁶

VZ-RI indicated that it provides CLECs with a standard collocation application form. The form enables CLECs to select one or more types of physical collocation, in order of preference, as well as virtual collocation. According to VZ-RI, the application form allows CLECs to specify a minimum and maximum size for physical collocation

⁸³ Id. at ¶ 86.

⁸⁴ Id. at ¶ 87.

⁸⁵ Id. at ¶ 88.

⁸⁶ Id. at ¶ 89-90.

cages and the number of bays for SCOPE, as well as CCOE and virtual collocation. CLECs generally value this option because it enables VZ-RI to provide their first choice, when feasible, or provide the best available alternative should their first or other choices not be feasible. VZ-RI indicated that this form allows VZ-RI to facilitate the processing of CLEC applications and eliminate any need to use its own subjective judgment when deciding what alternatives would best satisfy a CLEC's collocation request. VZ-RI explained that the standard collocation form is important because it saves time in the provisioning process when the first choice is not available.⁸⁷

v. Collocation rates and charges

VZ-RI explained that its PUC RI No. 18 Tariff contains the rates and charges that apply to the multiple collocation offerings and alternatives available to CLECs in Rhode Island. The rates and charges contained in this tariff include standard rates and charges for various collocation elements, including application fees, space conditioning, floor space and DC power. The collocation power rates and rate structure applied by VZ-RI were reviewed by the RIPUC and approved in its June 15, 2001 Order in Docket No. 2937.⁸⁸

In response to CLEC concerns about the application of DC power rates, VZ-RI filed tariff revisions on April 6, 2001. The revisions changed the way VZ-RI charges for DC power from the quantity of fused amps provided to the quantity of load amps requested by CLECs on each power feed. Thus, if a CLEC requests 40 load amps on a power feed and VZ-RI fuses that power feed at 60 amps per industry standards, the CLEC will have the capability of using up to 60 amps on that power feed but will only be

⁸⁷ Id. at ¶ 91.

⁸⁸ Id. at ¶ 94.

charged for 40 amps. The tariff revisions were approved by the RIPUC at an Open Meeting on May 15, 2001.⁸⁹ VZ-RI asserted that with these tariff revisions, DC power charges are applied by VZ-RI in the same manner as VZ-MA, which the FCC determined is consistent with VZ-MA's responsibilities under Checklist Item 1.⁹⁰

3. CLEC Comments

CTC challenged VZ-RI's compliance with Checklist Item 1, alleging that VZ-RI's actual performance and procedures regarding collocation were not in compliance with Verizon FCC Tariff No. 11, the Act or the requirements of Checklist Item 1.⁹¹

CTC noted that in its Checklist Declaration, VZ-RI stated that it "has developed and implemented comprehensive methods and procedures to ensure that it provides CLECs with quality collocation arrangements."⁹² CTC also pointed out that VZ-RI stated that these procedures "include coordination of Collocation Acceptance Meetings ("CAMs") with CLECs at the time [Verizon] turns over collocation arrangements to them for installation of their equipment."⁹³ CTC alleged that contrary to VZ-RI's assertions, its practices regarding a CLEC's termination and turnover of collocation space arrangements and related billing do not comport with its tariffs, the Act and Competitive Checklist Item 1.⁹⁴

CTC proffered anecdotal evidence regarding various orders placed by November 1999, for collocation arrangements in several New England states pursuant to Verizon

⁸⁹ *Id.* at 96. See RIPUC Order No. 16639 (issued June 15, 2001).

⁹⁰ *Id.* See Massachusetts Order, ¶ 200.

⁹¹ Declaration of CTC Communications Corp., ¶¶ 5-13; See Brief of CTC Communications Corp., pp. 2-10 (reiterating each of the arguments made in its Declaration). see also Verizon Telephone Companies, Tariff FCC No. 11, Access Service, § 28 ("Verizon FCC Tariff No. 11").

⁹² *Id.* at ¶ 6 (citations omitted).

⁹³ *Id.* (citations omitted).

⁹⁴ *Id.* at ¶ 7.

FCC Tariff No. 11 for expanded interconnection.⁹⁵ CTC stated that in April 2000, it initiated discussions with Verizon to terminate many of these collocation arrangements. According to CTC, on December 18, 2000, CTC and Verizon conducted a formal meeting at CTC's Offices at 220 Bear Hill Road, Waltham, MA regarding the termination of a number of CTC's collocation arrangements.⁹⁶ During the ensuing months between November 1999, when the orders were placed, and December 2000, when CTC and Verizon formally met to discuss termination, certain non-recurring charges and late fees were allegedly assessed by VZ-RI. CTC disputes owing the amounts charged on the basis that the collocation space was never turned over to CTC by VZ-RI.⁹⁷ According to CTC, it and VZ-RI continued to discuss these matters and conduct negotiations as recently as September 4, 2001.⁹⁸ CTC has charged that currently, VZ-RI improperly seeks to impose monthly recurring charges for the collocation arrangements at issue through January 17, 2001.⁹⁹

4. RIDPUC's Position

The RIDPUC indicated that VZ-RI demonstrates that it provides competing carriers with interconnection that is "equal-in-quality" to that provided to itself, an affiliate or subsidiary.¹⁰⁰

Responding in its Reply Brief to the allegations made by CTC, the RIDPUC noted that "it is likely that isolated examples of Checklist noncompliance will be observed with respect to Verizon's operations." However, the RIDPUC reiterated that "while CTC may have specific legitimate complaints pertaining to Verizon's interaction with CTC, those

⁹⁵ Id. at ¶¶ 8-13, citing Verizon FCC Tariff No. 11.

⁹⁶ Id. at ¶ 9.

⁹⁷ Id. at ¶¶ 10-12.

⁹⁸ Id. at ¶ 9.

complaints can be, and should be, addressed with Verizon (and possibly, the RIPUC) on an individual case basis.” It was the RIDPUC’s opinion that CTC’s specific complaints did not constitute sufficient basis for the Commission to withhold its support for FCC approval of VZ-RI’s 271 application.¹⁰¹

5. VZ-RI’s Rebuttal

VZ-RI contended that CTC’s complaint regarding Checklist Item 1 essentially amounts to an individual billing dispute. VZ-RI stated that rather than raising this billing dispute in an appropriate forum, CTC chose instead to assert it in the context of the RIPUC’s review of VZ-RI’s compliance with Section 271. VZ-RI asserted that nothing in the facts alleged in connection with this billing dispute suggests that VZ-RI has failed to comply with its collocation obligations under the Act. To the contrary, VZ-RI argued, the facts show that CTC was simply seeking to avoid its financial responsibilities to pay VZ-RI for work VZ-RI performed to provision CTC’s collocation arrangements in East Providence and Providence.¹⁰² VZ-RI then provided its version of the facts that led up to what VZ-RI has characterized as the billing dispute.¹⁰³

VZ-RI concluded that CTC’s complaints regarding VZ-RI’s collocation policies and practices do not establish any failure of VZ-RI to comply with any requirement of the FCC, the Act, or Checklist Item 1. VZ-RI also pointed to the RIDPUC’s findings in this matter as confirmation that VZ-RI meets its Checklist Item 1 obligations in Rhode Island.¹⁰⁴

⁹⁹ *Id.* at ¶ 11.

¹⁰⁰ RIDPUC Exhibit 1, Appendix A, p. 1.

¹⁰¹ RIDPUC’s Reply Brief, 11/9/01, p. 3.

¹⁰² Verizon’s Post-Hearing Brief, p.24.

¹⁰³ *Id.* at 24-29.

¹⁰⁴ *Id.* at 29 (citations omitted).

6. RIPUC Findings and Recommendation

We find VZ-RI to be in compliance with the requirements of Checklist Item 1. As of July 2001, VZ-RI reported having approximately 46,710 local interconnection trunks in place with 15 CLECs. In addition, VZ-RI pointed out that by mid-2001, the average number of minutes for interconnection traffic exchanged between VZ-RI and CLECs reached approximately 271 million per month. Furthermore, the degree of trunk utilization for CLECs was substantially lower than for VZ-RI's retail services. As for trunk provisioning, VZ-RI consistently met or exceeded its provisioning intervals for interconnection trunks. With regard to maintenance and repair, VZ-RI stated that from January through August 2001, the trouble report rate for interconnection trunks was virtually non-existent.

In the area of collocation, VZ-RI asserted it provides the same collocation options as in Massachusetts and New York. We note that through September 2001, VZ-RI indicated it had provisioned 112 traditional physical collocation arrangements and 239 collocation augments. VZ-RI reported that through September 2001, it had provided 23 CLECs with 214 physical collocation arrangements and therefore, CLECs had access via their collocation arrangements to 97.7% of VZ-RI's residential access lines and 99.3% of VZ-RI's business lines.

Regarding metric performance, we find that VZ-RI's performance in the interconnection (trunks) was flawless from March through August 2001. VZ-RI met every metric that had activity from March to August 2001.¹⁰⁵ In comparison, VZ-MA

¹⁰⁵ See Verizon RI 271 Filing - Checklist Declaration, Attachment 5, p. 13; see also Verizon's Response to Record Request No. 2 (VZ-MA's PAP metrics).

met only 77% to 100% of the same metrics that had activity and did not qualify for a small sample size exemption from March to July 2000.¹⁰⁶

As for CTC's allegations, we find that they amount to a billing dispute regarding charges under Verizon FCC Tariff 11 and do not prevent us from finding that VZ-RI is in compliance with this checklist item. As this dispute arises under a federal tariff, we find this is not the appropriate forum in which to resolve this matter and believe that the FCC can adequately address this dispute. Moreover, we note that the facts of the dispute do not indicate that VZ-RI either violated the Act or acted unreasonably. In November 1999, CTC ordered collocation arrangements in Rhode Island. Although CTC stated it verbally informed VZ-RI in April 2001 that it wanted to terminate these collocation arrangements, CTC ignored a written confirmation notice from VZ-RI, sent in April 2000, and did not inform VZ-RI in writing until December 2000 that it did not want the collocation arrangements.¹⁰⁷ At best, for CTC, this is a billing dispute that is an isolated incident and should not stand in the way of approving VZ-RI's Section 271 application.

Based upon the totality of the circumstances, we find that VZ-RI is providing CLECs with non-discriminatory interconnection to VZ-RI's network at a level of quality equal to that which VZ-RI provides itself. Therefore, we find VZ-RI to be in compliance with Checklist Item 1 and recommend the FCC find that VZ-RI has complied with the requirements of this checklist item.

¹⁰⁶ Id.

¹⁰⁷ Tr. 10/11/00, pp. 77-78.

B. CHECKLIST ITEM 2 – NONDISCRIMINATORY ACCESS TO NETWORK ELEMENTS AND OSS ANALYSIS

1. Applicable Law – Nondiscriminatory Access

Section 271(c)(2)(B)(ii) of the Act requires that Verizon RI provide “non-discriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1).”¹⁰⁸ Section 251(c)(3) provides that an incumbent LEC “shall provide such unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide such telecommunication service.”¹⁰⁹

Section 252(d)(1) of the Act requires that state regulatory commission determinations of appropriate rates for network elements be based on the cost of providing the network elements and may include a reasonable profit.¹¹⁰ The FCC has determined that “prices for unbundled network elements (“UNEs”) must be based on the total element long run incremental cost (“TELRIC”) of providing those elements.”¹¹¹

2. VZ-RI’s Position – Nondiscriminatory Access to UNEs

It is VZ-RI’s position that it is in compliance with the requirements of Checklist Item 2. VZ-RI relied on the RIDPUC’s filing, stating that its “compliance with the Act with respect to this issue is supported by the RIDPUC.” Accordingly, VZ-RI asserted that the RIPUC should find in its consultative report to the FCC that Verizon RI has satisfied Checklist Item 2.¹¹²

¹⁰⁸ 47 U.S.C. § 271(c)(2)(B)(ii).

¹⁰⁹ 47 U.S.C. § 251(c)(3).

¹¹⁰ 47 U.S.C. § 252(d)(1).

¹¹¹ Massachusetts Order, ¶ 16.

¹¹² Verizon’s Post-Hearing Brief, p. 30.

A. Access to UNEs

VZ-RI pointed out that the FCC concluded that Verizon “provides to competitors combinations of network elements that are already pre-assembled in their network, as well as non-discriminatory access to unbundled network elements, in a manner that allows competing carriers to combine those elements themselves” in both in New York and Massachusetts.¹¹³ VZ-RI maintained that the record demonstrates that it also provides non-discriminatory access to network elements, both separately or in combined form. VZ-RI represented that it provides CLECs with access to UNEs in the same manner and of the same type provided by VZ-MA, and approved by the FCC.¹¹⁴

VZ-RI asserted that it uses the same network facilities to provide and maintain UNEs to CLECs that it uses to provide bundled services to its own end users.¹¹⁵ VZ-RI indicated that its facility assignment systems and processes do not discriminate between retail service requests and UNE requests in the selection of facilities.¹¹⁶ VZ-RI inventories network facilities in various assignment systems based on their technical characteristics and specific physical location(s). If available facilities meet the requirements of the unbundled element(s) requested by a CLEC, those facilities are assigned without regard to the unbundled status of the request, or whether the customer is a VZ-RI end user or a CLEC that is requesting a network/facility from VZ-RI. For example, VZ-RI explained that the same switching facilities are used whether or not VZ-RI provides the dial tone to a CLEC as unbundled switching, or as part of a VZ-RI retail service.¹¹⁷

¹¹³ New York Order, ¶ 231; see also, Massachusetts Order, ¶ 117.

¹¹⁴ Verizon’s Post-Hearing Brief, p. 30.

¹¹⁵ Verizon RI 271 Filing – Checklist Declaration, ¶ 101.

¹¹⁶ Id.

¹¹⁷ Id.

VZ-RI also asserted that it provides CLECs with access to UNEs including loops, dedicated local transport, and dedicated local and tandem switching ports on a stand-alone basis, at the CLECs' physical or virtual collocation arrangements in a VZ-RI central office.¹¹⁸

VZ-RI indicated that the variety of alternative collocation arrangements it provides can also be used by CLECs to combine individual network elements. These arrangements, which VZ-RI asserted are the same as those offered by VZ-MA in Massachusetts and approved by the FCC, enable CLECs to combine network elements in the same manner that standard collocation arrangements provide.¹¹⁹

B. VZ-RI-Provided UNE Combinations

VZ-RI asserted that in addition to providing numerous methods for CLECs to combine individual network elements, it also provides UNEs in an already-combined form. Specifically, VZ-RI is providing to CLECs the complete platform of network elements known as UNE-Platform ("UNE-P"). VZ-RI offers UNE-P in accordance with the FCC's UNE Remand Order and its November 24, 1999 Supplemental Order¹²⁰ and the RIPUC's December 6, 1999 Order in Docket No. 2681.¹²¹

¹¹⁸ Id. at 102. CLECs obtain access to these elements through cross-connect jumper wires at the CLECs' collocation arrangements, and can combine these network elements at their physical collocation arrangements by simply connecting these jumper wires. This means that a CLEC does not need to have any of its own transmission equipment in VZ-RI's central offices in order for it to combine network elements and provide telecommunications services. Further, CLECs do not need to establish collocation arrangements with VZ-RI to access or combine UNEs, unless collocation is technically necessary. CLECs may use the BFR process to request alternative means of access. Id.

¹¹⁹ Id. at 103. VZ-RI offers each of these alternatives pursuant to interconnection agreements and Part E of PUC RI No. 18 Tariff. Id.

¹²⁰ In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order and Fourth Further Notice of Proposed Rulemaking (rel. November 5, 1999) ("**UNE Remand Order**"); Implementation of the Local Competition Provisions of the Telecommunications Act of 1996 Supplemental Order, 15 FCC Rcd 1761 (Rel. November 24, 1999) ("**Supplemental Order**"); see also Supplemental Order Clarification, 15 FCC Rcd 9587 ("**Clarification Order**") (Rel. June 2, 2000).

¹²¹ Verizon RI – 271 Checklist Declaration, ¶ 103. UNE-P enables CLECs to provide residential and business local exchange services, and exchange access service, to their end users. In a UNE-P

VZ-RI maintained that it will also combine unbundled local switching with other UNEs or with VZ-RI services, subject to technical feasibility.¹²² VZ-RI stated that it will provide common interoffice transport in conjunction with shared trunk ports to CLECs that purchase common interoffice transport. According to VZ-RI, all UNE-P lines currently in service combine these types of UNEs. VZ-RI noted that collocation is not required, provided that the terminating location is normally accessed in the VZ-RI central office from which CLECs have purchased an unbundled switch line port.¹²³

VZ-RI indicated that it also provides combinations of unbundled loop and interoffice facility network elements known as Expanded Extended Loop (“EEL”).¹²⁴ VZ-RI asserted that it provides these elements in accordance with requirements of the FCC’s UNE Remand Order and Supplemental Order via interconnection agreements, and the pending PUC RI No. 18 Tariff. VZ-RI further asserted that the EEL arrangements offered by VZ-RI essentially are the same arrangements that are offered by VZ-MA and were approved by the FCC.¹²⁵

C. UNE Pricing

VZ-RI asserted that its interconnection agreements and PUC RI No. 18 Tariff

combination, VZ-RI provides CLECs with a pre-existing or new combination of an unbundled local loop network element and an unbundled local switching network element. The unbundled local switching element provided within the UNE-P combination offers CLECs access – as requested by a CLEC via the Network Design Request (“NDR”) process – to other UNEs. These elements include Common Transport or Dedicated Transport, Shared Tandem Switching, Signaling Systems and Call-related Databases, E911, and/or Directory Assistance services and Operator Services. Collocation is not required to access local loop and local switch port UNE-P combinations. See RIPUC Order No. 16012 (issued December 6, 1999).

¹²² These include shared or dedicated interoffice transport, shared tandem switching, SS7 signaling, and access to E911. Operator Services and Directory Assistance service are available on an optional basis.

¹²³ Verizon’s Post-Hearing Brief, p. 33. VZ-RI’s UNE-P offering is available under interconnection agreements and Part B, Section 8 of the PUC RI No. 18 Tariff. Verizon RI 271 Filing - Checklist Declaration, ¶ 104. Thirteen CLECs established to use Verizon UNE switching in Rhode Island. Verizon’s Post-Hearing Brief, p. 33, citing Tr. 10/15/01, at 88. VZ-RI’s provisioning and maintenance performance with respect to UNE-P is discussed in connection with the section relating to OSS.

¹²⁴ Verizon RI 271 Filing – Checklist Declaration, ¶ 105. EEL arrangements enable a CLEC to use combinations of unbundled links and unbundled dedicated interoffice transport network elements to provide a significant amount of local exchange service to an end user. Id.

include specific rates, terms and conditions that enable it to provide non-discriminatory access to network elements consistent with the requirements of Section 251 of the Act.¹²⁶

VZ-RI stated that it has developed rates for all UNEs and collocation in full compliance with the FCC's TELRIC methodology. VZ-RI also asserted that the rates for the additional UNEs identified in the FCC's UNE Remand Order were established in accordance with the RIPUC-prescribed methodology that is fully compliant with TELRIC principles.¹²⁷

VZ-RI indicated that the rates contained in CLEC interconnection agreements with VZ-RI are subject to a "true-up" to match the rates for UNEs and certain collocation rates approved by the RIPUC. In the event that a current rate is higher than the approved rate, CLECs will receive the benefit of the lower rate retroactive to the date the product or service rate element was introduced. By the same token, should a CLEC's current rate be lower than the approved rate, VZ-RI will apply the approved rate retroactive to the date the product or service rate element was introduced.¹²⁸

VZ-RI asserted that the RIDPUC agreed that VZ-RI provides access to UNEs at appropriate prices and noted that no party filed comments regarding this aspect of Checklist Item 2.

¹²⁵ Id. at 105-106; Verizon's Post-Hearing Brief, pp. 33-4.

¹²⁶ Verizon's Post-Hearing Brief, p. 34.

¹²⁷ See Verizon's Post-Hearing Brief, p. 34-5; See also RIPUC Order No. 16793 (issued November 15, 2001) (approving the UNE rates filed by Verizon on May 24, 2001 and revised by VZ-RI on July 24, 2001 for effect February 1, 2002); RIPUC Order No. 16808 (issued December 3, 2001) (finding that the compliance rates filed by VZ-RI on May 21, 2001 are consistent with the RIPUC's April 11, 2001 open meeting decision and the requirements of TELRIC, and approving these rates as final TELRIC rates for effect April 11, 2001).

¹²⁸ Verizon RI 271 Filing – Checklist Declaration, ¶ 108.

3. CLEC Comments – Nondiscriminatory Access to UNEs

Although no CLEC filed Declarations or Comments, WorldCom questioned the appropriateness of VZ-RI's local switching rates in a July 12, 2001 letter to RIPUC Chairman Elia Germani.¹²⁹ Furthermore, both WorldCom and AT&T made post-hearing filings addressing their respective concerns regarding the UNE rates.

A. WorldCom

In its Post-Hearing Comments, WorldCom noted that in its review of previous section 271 applications, the FCC has, under certain circumstances, determined that a BOC may demonstrate compliance with section 271 by comparing the section 271 applicant's UNE rates to the UNE rates of neighboring states that have already received section 271 approval. In such comparisons, the FCC has compared the applicant's rates to determine if they are reasonable vis-à-vis the UNE rates of previously-approved 271 states. However, WorldCom also pointed out that in its Massachusetts Order, the FCC cautioned the BOCs that if New York modifies its UNE rates, BOCs can no longer rely on rate comparisons with the current New York UNE rates for section 271 approval.¹³⁰

WorldCom stated that a New York ALJ has recently recommended the adoption of UNE rates in New York which are significantly lower than the current Rhode Island UNE rates. Thus, WorldCom contended, when New York implements its new UNE rates, VZ-RI will be unable to establish section 271 checklist compliance through a UNE comparison with either the current New York UNE comparison rates or the current Massachusetts UNE rates.

¹²⁹ Verizon's Post-Hearing Brief, p. 35.

¹³⁰ Post-Hearing Comments of WorldCom, Inc., pp. 3-4, citing Massachusetts Order, ¶¶ 29-30.

WorldCom noted that on or about October 5, 2001 VZ-RI proposed to revise its UNE switching rates downward by adopting as the permanent switching rates for Rhode Island the switching rates VZ-MA has proposed in its pending UNE case in Massachusetts. WorldCom argued that adoption of these rates for Rhode Island would be inappropriate because the rates had not been adopted in Massachusetts and were still substantially higher than the UNE rates proposed by the New York ALJ's recommended decision.¹³¹

B. AT&T

AT&T contended that VZ-RI's UNE rates were not TELRIC compliant and not reasonable. In addition, AT&T took issue with VZ-RI's UNE switching rates filed on October 5, 2001, because the proposed rates were higher than those recommended by the New York ALJ.¹³²

4. RIDPUC Comments – Nondiscriminatory Access to UNEs

The RIDPUC indicated that VZ-RI is providing competing carriers with access to UNEs at technically feasible points in the VZ-RI network in substantially the same time and manner as VZ-RI provides such access to itself, its affiliates or subsidiaries. The RIDPUC also stated that it believes CLECs have a meaningful opportunity to compete in Rhode Island.

In specific response to the comments made by WorldCom and AT&T regarding VZ-RI's UNE rates, the RIDPUC urged the RIPUC to reject their arguments. The RIDPUC noted that the RIPUC's April 11, 2001 open meeting decision in Docket 2681 specifically adopted the RIDPUC's final position on recommended UNE rates and

¹³¹ *Id.* at 3-5.

¹³² Brief of AT&T, pp. 3-9.

reflected UNE rates developed for Rhode Island in accordance with the FCC's TELRIC standards. Furthermore, because the rates were adopted in accordance with TELRIC standards, the RIDPUC argued, they are, by definition, reasonable. Finally, the RIDPUC asserted that it would be inappropriate to adopt rates set forth in the New York ALJ's recommended decision because, even if they were considered "final" rates, they would not necessarily conform to TELRIC standards for Rhode Island.¹³³

5. VZ-RI's Rebuttal – Nondiscriminatory Access to UNEs

Subsequently, in its Supplemental Checklist Declaration filed on October 5, 2001, VZ-RI proposed revisions to its local switching rates so that they would be equivalent to the unbundled local switching rates that VZ-MA filed on May 8, 2001 in a pending UNE rate proceeding in Massachusetts (D.T.E. 01-20).¹³⁴

VZ-RI pointed out that the UNE switching rates contained in Attachment D to VZ-RI's Supplemental Checklist Declaration are lower than the rates approved by the RIPUC in Docket No. 2681.¹³⁵ The rates are also lower than the local switching rates that were adopted in Massachusetts and reviewed by the FCC in VZ-MA's 271 application.¹³⁶ VZ-RI asserted that the local switching rates it has proposed for Rhode Island address fully the UNE pricing concerns raised by WorldCom in its July 12, 2001 letter and, as the RIDPUC's witness acknowledged, "will encourage competition in the State of Rhode Island."¹³⁷ VZ-RI respectfully requested that the RIPUC approve the modified UNE switching rates filed in this proceeding.

¹³³ RIDPUC's Reply Brief, 11/09/01, pp. 2-3. See RIPUC Order No. 16808 (issued December 3, 2001).

¹³⁴ Verizon RI 271 Filing – Supplemental Checklist Declaration, ¶ 38.

¹³⁵ At the hearings in this proceeding, VZ-RI explained in detail the proposed rates and their relationship to existing rates. See Tr. 10/15/01, pp. 7-36; see also Verizon's Responses to Record Requests 31 and 33.

¹³⁶ Verizon RI 271 Filing - Supplemental Checklist Declaration, ¶ 39; see also Massachusetts Order, ¶¶ 20-28.

¹³⁷ Verizon's Post-Hearing Brief, p.35, citing Tr. 10/15/01, at 46.

6. RIPUC Findings and Recommendation – Nondiscriminatory Access to UNEs

We find VZ-RI to be in compliance with the requirements of Checklist Item 2 as it relates to the provisioning of UNEs. VZ-RI provides UNEs to CLECs on an individual basis or in a combined form known as UNE-P. The RIPUC has previously determined that these UNEs are provided at final rates that comply with the FCC's forward-looking TELRIC methodology.¹³⁸ The RIPUC's TELRIC proceedings in Docket No. 2681 began with the filing of cost studies in November 1997. At an open meeting on August 18, 1999 the RIPUC approved interim UNE rates. These interim UNE rates were the result of a joint stipulation between VZ-RI and the RIDPUC, and for the most part reflected the RIDPUC's position in the TELRIC proceedings.¹³⁹ Due in part to the age of the cost studies, as well as the recommendations of VZ-RI, Cox and the RIDPUC, the RIPUC adopted final UNE rates at an open meeting on April 11, 2001 and found them to be TELRIC-compliant. These final UNE rates were the interim UNE rates adjusted downward by 7.11 percent to reflect merger savings.

In September 2000, VZ-RI filed cost studies for additional UNEs pursuant to the FCC's UNE Remand Order. As a result of the April 11, 2001 open meeting decision, VZ-RI filed revised rates for these additional UNEs on May 24, 2001. The RIDPUC recommended approval of these revised rates. At an open meeting on November 15,

¹³⁸ See RIPUC Order No. 16808 (issued December 3, 2001), RIPUC Order No. 16799 (issued November 28, 2001), and RIPUC Order No. 16793 (issued November 18, 2001). In Order No. 16793, we ordered VZ-RI to include certain specific assumptions in future cost studies that it files. These assumptions in no way affect our conclusion that VZ-RI's currently effective UNE rates are TELRIC-compliant.

¹³⁹ For instance, Mr. Weiss indicated that the interim and now final UNE rates reflect "for the most part" the RIDPUC's position on fill factors. Tr. 10/15/01, pp. 59-61.

2001, the RIPUC adopted the revised rates for the additional UNEs and found them to be TELRIC-compliant.¹⁴⁰

On October 5, 2001, VZ-RI filed new UNE local switching rates for Rhode Island based on VZ-MA's cost studies filed on May 8, 2001 in Massachusetts. The RIDPUC recommended approval of these new local switching rates. No CLEC objected to the adoption of these switching rates at the RIPUC's hearing on the proposed rates on October 15, 2001. At an open meeting on November 15, 2001, the RIPUC adopted these new UNE local switching rates and found them to be TELRIC-compliant.¹⁴¹ Accordingly, UNEs are currently available to CLECs in Rhode Island in compliance with the Act and the directives of the FCC.

As to WorldCom's concerns regarding VZ-RI's switching rates, the RIPUC has adopted the lower switching rates that have recently been filed for review in Rhode Island's anchor state, Massachusetts. We found these rates to be TELRIC compliant. Also, we emphasize that these rates are not only lower than VZ-RI's UNE switching rates in effect at the time of VZ-RI's § 271 Filing with the RIPUC, but also are lower than the switching rates in effect when Verizon received Section 271 approval in New York and Massachusetts.¹⁴² In addition, we point out that approximately 90% of Rhode Island's UNE rates are lower than current Massachusetts' UNE rates.¹⁴³

AT&T and WorldCom urge us to adopt the even lower UNE rates recently recommended for VZ-NY by a New York Administrative Law Judge ("ALJ"). However, we note that the New York ALJ's decision has not been adopted by the NYPSC and,

¹⁴⁰ These rates are for effect February 1, 2002 so as to allow VZ-RI to properly implement these new rates in their billing system.

¹⁴¹ Id.

¹⁴² RIPUC Order No. 16799 (issued November 28, 2001), pp. 5-6.

even if it was, there is no certainty these rates would conform with TELRIC standards for Rhode Island.¹⁴⁴ Furthermore, according to AT&T, the UNE switching rates recently adopted for Rhode Island will result in a wholesale cost of \$25.45 for UNE-P which is lower than the \$28.95 retail price for VZ-RI's Unlimited Local Calling Offer.¹⁴⁵ Accordingly, we find that VZ-RI's UNE rates are not only "within the range of what a reasonable application of what TELRIC would produce," but are, in fact, TELRIC-compliant and, in any case, afford CLECs a meaningful opportunity to compete in compliance with Checklist Item 2. We recommend that the FCC find that VZ-RI has complied with the requirements of this checklist item as it relates to UNEs.¹⁴⁶

7. Applicable Law – OSS Analysis

As part of the FCC's consideration of Checklist Item 2 for Verizon's 271 applications, the FCC has looked to whether the BOC's Operating Support Systems ("OSS") provided CLECs with "[n]on-discriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1)."¹⁴⁷ Upon specific detailed review of the OSS employed in the preordering, ordering, provisioning, maintenance and repair, and billing functions, the FCC found in each instance that "Bell Atlantic [Verizon] offers non-discriminatory access."¹⁴⁸ In addition, the FCC also reviewed the training and assistance that Verizon provides to CLECs, the Verizon OSS Change Control Management process, and Verizon's carrier interface testing practices and procedures. Here, the FCC stated that "Verizon provides a change management

¹⁴³ Tr. 10/15/01, p. 51.

¹⁴⁴ It should also be noted that the RIPUC has ordered VZ-RI to file new TELRIC cost-studies for its Rhode Island UNE rates by May 1, 2002. See RIPUC Order No. 16793.

¹⁴⁵ AT&T's Post Hearing Brief, pp. 7-8.

¹⁴⁶ Massachusetts Order, ¶ 35.

¹⁴⁷ Id. at ¶ 43; New York Order, ¶ 84.

¹⁴⁸ New York Order, ¶ 82; Massachusetts Order, ¶ 43-116.